

### Hanoi to cut export duty on rice

HANOI, Jan 11: Vietnam decided to reduce the export duty on all rice in a bid to encourage more sales, Vietnam's English daily *Avietnam* news reported today, says Xinhua.

The rate was previously one per cent of the contracts sales price. But the decision announced by Vietnam's Finance Minister Nguyen Sinh Hung recently says that the zero rate will apply to all rice for which customs procedures were started from January 1.

In addition, Vietnam's state bank has asked the bank for agriculture and rural development to provide sufficient loans for food companies to buy up about one million tonnes of rice between February 1 and March 31 to boost rice exports.

Vietnam's rice exporters will be subsidised for part of their interest payments as a further incentive and the money will come from the price stabilising fund.

The past rate for broken rice of less than 25 per cent was set at one per cent. It was set last October.

Vietnam has planned to export 3.9 million tonnes of rice this year, 100,000 tonnes more than last year when the country became the world's second rice exporters. This year's first-quarter exports of rice are expected to reach one million tonnes.

Vietnam harvested a record 31.8 million tonnes of grain in 1998 and the Vietnamese national assembly has targeted food output of 32 million tonnes this year.

### Russian central bank's top official to step down

MOSCOW, Jan 11: A top official of Russia's battered Central Bank is resigning to work in the private sector, officials confirmed Monday, says AP.

The Central Bank said First Deputy Chairman Andrei Kozlov will step down Jan 25, but would not say if he had found a new position.

The Central Bank has been battling to maintain the country's shipping currency since Russia was hit last summer by the world crisis in emerging markets and the government defaulted on some debts.

Kozlov said he had wanted to leave the Central Bank in September, but stayed at the request of Central Bank Chairman Viktor Geraschenko to help oversee several key projects, the Interfax news agency reported.

### ANZ Grindlays opens ATM at Kakrail

Star Business Report  
ANZ Grindlays Bank has inaugurated its fourth Automated Teller Machine (ATM) at their Kakrail Sales and Service Centre in the city.

The ATM was opened by Muhammad A. Ali, General Manager of ANZ Grindlays Bank yesterday.

Neil Merrick, Head of Personal Banking of ANZ Grindlays Bank and other senior officials of the bank were also present on the occasion.

The first users of ATM received attractive gifts from the bank, says a press release.

For the convenience of its customers and to provide superior customer service, ANZ Grindlays intends to install two more ATMs very soon at Uttara in Dhaka and Nasirabad in Chittagong.

Three other ATMs of ANZ Grindlays are located in Dhanmondi, Gulshan and Sheraton Hotel Sales and Service Centres.

Apart from ANZ Access cards all the ATMs of ANZ Grindlays in Bangladesh also accept Cirrus cards and both local and international MasterCard and VISA credit cards.

### Thai exports may grow 4pc this year

BANGKOK, Jan 11: Thailand's exports are expected to grow four per cent to \$6.6 billion US dollars this year compared with \$4.5 billion US dollars last year, Deputy Commerce Minister Pravit Ratanaporn said today, reports Xinhua.

The anticipated exports figure this year would be very close to the \$5.9 billion US dollars exports value registered in 1996, the year when Thailand began to experience a slowdown in growth, Pravit said.

The exports estimation this year was conservative and based on views expressed by several exporters and overseas-based Thai commercial attachés, Pravit was quoted Monday by the Bangkok Post as saying.

He said the estimation was close to the figure anticipated by both the International Monetary Fund and the National Economic and Social Development Board. Both agencies predicted that Thai exports would reach \$6.1 billion US dollars this year.

## Bad loans come down

The amount of bad loans came down to two per cent in the private banks and six per cent in the nationalised commercial banks against all advances given since 1996, reports BSS.

Before 1996 the ratio of classified loan against total advances remained at 36 per cent, Bangladesh Bank Deputy Governor Ibrahim Khaled told BSS yesterday.

After the completion of financial reforms programme in 1996, stronger monitoring, proper evaluation of projects before loan sanctioning and less political interference have given a fillip to the improvement of existing loan portfolio in the banking sector," he said.

He, however, said that the amount of total classified loans in the country's banking sector have increased nearly to Taka 21000 crore and "it is increasing despite enhanced rate of recovery due to the accrued interests and addition of new classified loans."

He believes that some of

these classified loans would never be realised particularly those sanctioned during 1986 to 1990.

During 1991 to 1993 the cases of bad loans against industrial advances came down compared to 1986-90. But it shot up during 1994 to 1996 again because of the undue political pressure from the then government.

The central bank has already issued a new loan classification procedure.

Under the new system of procedure, effective from January 1, the loans stuck up for three months, would be considered as classified.

The classified loans which would continue to remain stuck up for another three months would become doubtful while in the next three months it would be termed as bad loan, he said.

With the introduction of the new schedule the number of cases of classified loans may increase against new advances but it has been offset through

more stronger monitoring and appropriate evaluation of the projects.

The new figure of classified loan under the latest scheme will be made available in March next.

Another source at a Nationalised Commercial Bank (NCB) said stronger monitoring and judicious sanctioning of loans were giving the private commercial banks an edge over NCBs in the rate of recovery of outstanding loans in the industrial sector.

It said the over-powering trade unionism and outside interference remained the major obstacles in the process of sanctioning and recovering loans by Nationalised Commercial Banks.

The source said the performance of foreign banks in the recovery of loan remained the highest as most of the those banks do not entertain undue lobbying from any quarter in sanctioning loans.

The sources also blamed overriding trade unionism for

degrading client services of both private and nationalised commercial banks compared to the foreign banks.

The direct recruitment at the officers level have remained suspended for over a decade though there is a provision that half of new recruits could be taken directly, the source said, adding most of the posts are now filled up by giving promotion who started their career as clerks following the pressure from the trade union. As a result the services at the banks have deteriorated in the NCBs, it said.

Because of the higher salary structure the foreign banks are attracting more intelligent, efficient and smart young people than the NCBs and local private commercial banks, the source said.

The positive forces have to be strengthened through 'political will' to resist the forces which have created the default culture in the country banking sector," said Ibrahim Khaled.

## 3 more merchant banks soon

The Securities and Exchange Commission (SEC) will issue registration certificates to three more merchant banks soon to increase participation of institutional players in the capital market, says APB.

The companies are Prime Finance and Investment Ltd, GSP Finance Co (Bangladesh) Ltd and Equity Valuation Research and Distribution Ltd, a press release issued by the SEC said yesterday.

Registration certificates will also be issued to four other applicant companies when they confirm compliance with the terms and conditions contained in the Letter of Intent (LOI), issued to them earlier.

LOIs are also being issued to three other companies — EC Securities Ltd, Prime Securities and Financial Services Ltd.

So far, the SEC issued registration certificates to 16 firms under SEC (Merchant Banker and Portfolio Manager) Regulation 1996.

Of the companies 13 are full-fledged Merchant Banker (including Portfolio Manager) and three others are Issue Managers.

The SEC has also extended underwriting function by non-merchant banks and non-issue manager till June 30, 1999.

Through Bangladesh Gazette (Extraordinary), published on September 28 last year, exemption was allowed to the firms/companies engaged in merchant banking activities from the requirements of Section 2 (1) (jha) of SEC (Merchant Bankers and Portfolio Manager) Regulation, 1996 up to December 31, 1998.

## Lanka initiates industrial parks to create 30,000 jobs this year

COLOMBO, Jan 11: Industrial park programmes to be launched islandwide will provide over 30,000 jobs for Sri Lankans in 1999, the official Daily News reported today, says Xinhua.

Minister for Industrial Development C V Gooneratne told the paper that the main aim of setting up industrial parks is to generate employment regionally.

Earlier reports said that there are over 30,000 unemployed graduates in the country with possibility of a further annual increase.

Warnings in the direction of a possible nation-wide disaster are becoming evident day by day by way of protest marches, fasts unto death and even suicidal threats of some unemployed graduates in different parts of the country," said Professor Ranjith Ruberu with the University of Colombo in a thesis.

The government has intensified its efforts to resolve unemployment by speeding up the industrial park programmes.

Minister Gooneratne said infrastructure development and construction work on seven parks had already been completed and commercial operations have also commenced.

## DCCI training course ends

Star Business Report  
A seven-day training course on 'garments merchandising: Operations and management' ended in the city on Sunday.

The course was organised by the Human Resource Development Programme of the Dhaka Chamber of Commerce and Industry (DCCI) from January 3 to 10.

DCCI President MH Rahman inaugurated the course.

The course aimed at familiarising the participants with the following topics: concept, importance & role of a merchandiser, basic ideas on yarn, fabrics used in garments sector, fabric dyeing, fabric printing & finishing, types of garments exported from Bangladesh. Stages of production in garments and production related functions, packaging, garments washing & dyeing, garments accessories, different designs, patterns and styles in knit & woven garments, communication & negotiation of orders, garments costing and consumption analysis, banking formalities, garments inspection system, shipping & transportation.

In all, 37 participants including 5 women officials from different private business organisations attended the training course.

DCCI Director Mamunur Rahman distributed certificates among the participants.

## Hyundai defers disinvestment of Indian unit

NEW DELHI, Jan 11: The Korean automobile giant Hyundai has deferred its proposal to offload 14.2 per cent equity in its wholly-owned Indian subsidiary to the foreign institutional investors (FIIs) in view of the fluid market conditions.

It will infuse an additional US\$138 million in the Indian venture and expand its equity base to US\$350 million in a phased manner, a Hyundai official said.

The company had informed the Foreign Investment Promotion Board (FIPB) about its proposal to shelve the divestment as the original foreign collaboration agreement envisaged implementation of such a plan before December 31, 1998.

"We have withdrawn our proposal as we think that the time is not appropriate for such a move. So far HML has brought in US\$212 million as equity which was promised by the company for the first phase."

"The rest of the equity will be invested whenever there is a requirement," B V R Subu, director (marketing and sales), told the Press Trust of India (PTI).

## Fujitsu to abandon mass production of computer chips

TOKYO, Jan 11: Fujitsu Ltd, a leading Japanese electronics manufacturer, will abandon mass production of standard computer memory chips as soon as the end of this year, a newspaper reported Monday, says AP.

The Tokyo-based company will focus on more limited output of specialised semi-conductors such as advanced chips used in computer servers, said the Nihon Keizai business daily.

But a Fujitsu spokesman denied Monday that the company has decided to pull out of the market for conventional chips.

"At this point, we don't have any plans to withdraw completely," said spokesman Bob Pomeroy.

"The situation is fluid," however, he said.

Fujitsu already had begun to move away from production of lower-end semiconductors in favour of more specialised computer chips, he said.

## IBM IT education centre opens in city in April

Star Business Report

The first IBM-authorised IT education center will be opened in the city in April this year.

InterGlobal Business Systems Ltd (IBSL), a local company, has been appointed IBM business partner for education in Bangladesh.

IBM is the largest Information Technology (IT) company in the world and IBM Learning Services (ILS) is the largest computer education organisation, teaching over 200,000 students every year across 56 countries.

Speaking at a press conference in the city yesterday, Managing Director of IBSL Asif Husain said that there were strong indications that Bangladesh would successfully enter the vast global software market. As

a first step in that direction, it is critically important to build a world-class IT workforce, he added.

To gain credibility in the world market, it is essential to get IT education and associated supports from global industry leaders such as IBM," Asif said adding that IBM Authorised Centres for Education (ACE) would bridge a relation in this regard.

David Thomas, general manager of ILS in Belgium, Roy Abesamis, GM of ILS in the Philippines, Shonna Lee, manager of ILS for ASEAN and South Asia attended the press conference. They are visiting Bangladesh to help set up the IBM-ACE in Dhaka.

David Thomas said since

IBM courses emphasis on IT fundamentals, the skills acquired in the process never become obsolete unlike specific software packages offered by other schools.

IBM has courses suitable for both casual PC users and people who want to become software professionals, he said.

IBM-ACE will be the only organisation in Bangladesh offering both basic PC literacy courses as well as long-term career-oriented software education directed towards future programmers, systems analysts and software designers, which are truly globally recognised, Thomas said.

All certificates by the education centres are issued directly by the IBM, he said.

## Dhaka to get Tk 14cr German commodity aid

Ambassador of the Federal Republic of Germany Uwe Schramm and Secretary of Economic Relations Division (ERD) Dr A K M Mashhur Rahman signed yesterday an agreement on five million deutsche mark (Tk 14 crore) for commodity aid as flood related assistance to Bangladesh, says AFP.

With this funding medical supply goods and equipment

will be provided to health centres to improve and rehabilitate basic health care facilities in Bangladesh, said a release.

The amount was made available out of the budget of the Federal Ministry of Economic Cooperation and Development in the framework of a special programme earmarked for the flood calamities in Bangladesh.

This commitment comes on

top of a number of humanitarian aid interventions worth 1.9 million deutsche mark (5.3 crore taka) funded by the German Federal Foreign Office during the disastrous flood 1998.

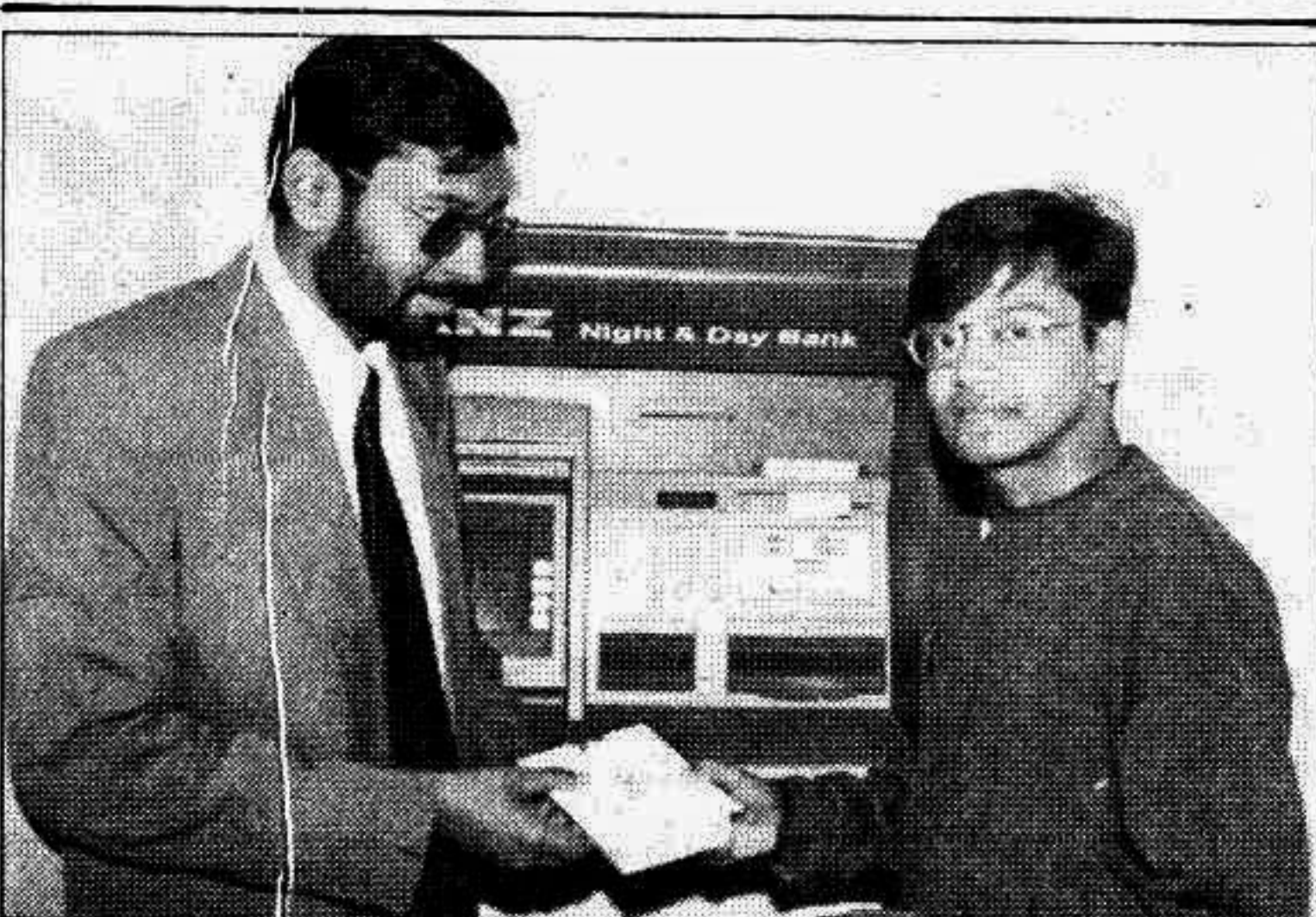
The German humanitarian aid as a symbol of sympathy and solidarity with the people of Bangladesh helped to ease the suffering of the flood victims by providing water-purifying units, supplying over 2 million rice packages and distributing medicine for the poorest of the poor.

Furthermore food aid operations with German funding of over 8 million deutsche mark (22.7 crore taka) were launched and successfully implemented through the World Food Programme and the German Technical Cooperation (GTZ).

As a result of the German-Bangladesh negotiations on development cooperation, in Dhaka in December last, the German Federal Government committed another five million deutsche mark within its 1998 financial assistance for Bangladesh for urgent rehabilitation and reconstruction of rural roads and markets.

Thus in connection with flood relief and rehabilitation Germany made available a total of 20 million DM (56 crore taka or 11.4 million US dollar) to Bangladesh as grant without repayment.

— ANZ photo



Syed Faridul Islam, Sales and Service Manager, ANZ Grindlays Bank, Kakrail, hands over a gift to Zakir Ahmed, the first customer to use the bank's ATM at Kakrail after inauguration of the service by Muhammad A Ali, General Manager of ANZ Grindlays Bank yesterday. — ANZ photo

## Chinese investment arm goes bankrupt

BEIJING, Jan 11: The investment arm of one of China's wealthiest provinces has formally filed for bankruptcy, leaving debts worth \$4.3 billion, twice the initial estimate, an official newspaper reported Monday, says AP.

Officials from Guangdong International Trust and Investment Co., announced the losses after a meeting of a committee overseeing the company's liquidation Sunday, the Shenzhen Securities Times reported.

The company, known as GITC, leaves \$6.15 billion yuan (\$4.3 billion) in debts and assets of only 21.47 billion yuan (\$2.6 billion), the report said.

It was not immediately clear how much of the debt, a significant part of which is owed to foreign banks, could be repaid.

Most prominent financial institutions declared insolvency and was closed down in October after failing to repay foreign and domestic loans.

As the investment arm of Guangdong, the fast-growing

province bordering Hong Kong, GITC obtained loans and issued bonds overseas to finance local projects. But it also invested in stock and property deals that went bad.

The collapse of GITC, China's second-largest trust company, shook confidence in China's financial system. International credit-ratings agencies have since downgraded the overseas debt of many trusts.

Contrary to reports that foreign creditors would be given priority, a Bank of China official involved in the liquidation promised equal treatment for lenders.

"Domestic and foreign creditors will be treated the same," the official, who asked not to be identified, told Dow Jones Newswires.

He declined to provide details on how or when creditors might be repaid and said he did not know how much debt is owed to foreign creditors.

The meetings Sunday between liquidators and creditors was held to discuss how GITC's debts should be settled.

## Filipino budget deficit exceeds IMF ceiling

MANILA, Jan 11: The Philippine budget deficit for 1998 exceeded the ceiling permitted by the International Monetary Fund under a borrowing programme for the country, the government said Monday, reports AP.

According to preliminary data from the Bureau of Treasury, the deficit stood at \$2 billion pesos (\$1.36 billion), higher than the \$1.28 billion pesos (\$0.88 billion) allowed by the IMF and a target of \$1.05 billion (\$0.71 billion) set by the government itself.

The bureau attributed the higher-than-planned deficit to shortfalls in tax revenues and higher expenditures. The government turned a small budget surplus in 1997.

For the current year, a budget deficit of \$2.4 billion pesos (\$1.6 billion) is planned, representing some 2.2 per cent of gross national product. The higher deficit, which has the IMF's blessing, reflects increased government spending to revive the country's flagging economy.

Budget targets were among several criteria set by the IMF for the country to tap a \$1.4 billion loan.

## Employment Bank a ray of hope for job seekers

A ray of hope sparked in the eyes of a previously diffident youth as a new-generation bank assured him a modest sum in loan for opening a laundry shop at his village, says UNB.

"I worked in a laundry shop for long and learnt the job. Now I'll open a shop of my own," said the beaming youth, hailed from a Dhaka village, coming out of the Karmasangsthan (employment) Bank office at Paltan in the capital today.

Handy enterprises like motor workshops, poultry and fish farming, cattle fattening, horticulture and photostate are among a large number of proposals enlisted with the Bank, now working in Dhaka district only.

The start-up capital estimated for running the ventures ranges from Tk 25,000 to maximum Tk 5 lakh.

"Unemployed youths, be they literate or unlettered, are our targets. But the literate are given priority," said the Bank's managing director, A J Masudul Haque Ahmed.

Inaugurated by the Prime Minister on September 22 last, the Bank was given approval for opening 20 more branches by last December. Process of recruiting manpower for those new branches is under way, officials said.

"We've got tremendous responses from the very beginning. Returns and utilisation of credits so far distributed are also encouraging," the MD told UNB.

A sum of Tk 25,000 is enough for initiating a laundry shop and Tk 50,000 for a motor workshop. With a starting capital of Tk 5 lakh, a doctor can open a small clinic, he said.

"We want the youths to just start with something, then we're ready to help them again," said the banker setting forth present today's banking concepts, particularly in a country like ours burdened with over 20 million unemployed.

The Bank's headoffice, also working as the Dhaka branch, at 15 Purana Paltan is manned by bankers on deputation from Bangladesh Bank and other NCBs. Only two new employees from outside have joined us. Joining more staffs is under process," said an official.

The Managing Director said they have plans to spread to divisional and greater district headquarters "immediately" and in all new districts by June, subject to availability of necessary manpower. Offices of the Bank will also be opened in Thana levels and post offices to reap the benefits of the government's new venture to the grassroots people.

With the expansion of the bank's operations across the country, they will need more funds, expected to be channelled through the government from international donor agencies.

To create self-employment opportunities, the government for the first time in the current budget created a provision of setting up an employment bank and allotted Tk 100 crore as capital for it to begin with.

Of the total allocation, Tk 75 crore will come from the government while nationalised commercial banks (NCBs) contribute the rest Tk 25 crore to make up the initial capital of the new bank.

The Bank has so far got Tk 56.25 crore from the government and Tk 9 crore from NCBs, and the remainder is to reach by June.

On Friday, Karmasangsthan Bank officials rushed to the remote Dohar thana areas to disburse loans to some 200 weavers, fighting for their very survival with their traditional profession.

"Each got Tk 6000 for a single loom, and the highest Tk 12000," said the managing director. Earlier, the weavers used to borrow their running capital from local lenders at high interest and in return pay back huge amounts, keeping a little or no profit margins.

## Indian capital market seems to be bullish

By Hemant Babu

MUMBAI, Jan 11: India's capital market appeared to have finally found something to be bullish about.

Last week started with positive sentiments with the operation opening 20 more branches by last December. Process of recruiting manpower for those new branches is under way, officials said.

The week ended with unusually high trading volumes that puzzled the exchange authorities and left many wondering what the market had in store for small investors.

The punters, who turned bullish at the beginning of the week, did not have to wait too long for booking their profits. On the last trading day of the week the market climbed up by 99 points on heavy buying from the foreign financial institution despite sustained profit booking.

The trading volumes on the major bourses hit an all-time high with the overseas funds

pouring money in Indian markets. Volume on the Bombay Stock Exchange (BSE) touched Rs. 20.48 billion (\$487 million) while on the National Stock Exchange (NSE) it touched Rs 20.78 billion (\$494 million).

The mad rush to bring home the stocks caused a technical snag in the computer system of the NSE where the authorities were virtually flabbergasted by the unprecedented trading volume. During mid-session on the last trading day, the system crashed and the post close session was conducted after resetting the system log at 5.30 p.m., exchange officials said.

"We are ready to meet any eventuality," said BSE president J C Parekh who did not see anything unusual in the trading volume. However, a board member told IANS: "We are keeping an eye on the trading volumes... Nobody is sure why the market activities have hit the roof."

According to traders, the last couple of days were the most hectic with new investors emerging out of nowhere. "We did not have the time to breathe," said a BSE trader. Those who were dealing in 100 shares have gathered the courage to place orders for 1,000, said BSE trader Vimesh Jhaveri.

Reflecting the renewed interest among the general public, the Sensitive Index (Sensx) of the BSE touched 3400.97 points to close at 3397.84 points while the Index of the National Stock Exchange rose by 35 points to close at 990.05 points.

According to analysts, the market was jubilant following news that India's forex reserve had reached a new high of \$30 billion.

The Reserve Bank of India (RBI) announced yesterday that reserves had reached \$30.24 billion as of January 1, 1999.

— India Abroad News Service